

Michigan Department of Community Health – Observations and Analysis on the Proposed Rule for Designation of Medically Underserved Populations and Health Professional Shortage Areas

BACKGROUND:

On February 29, 2008, the Health Resources and Services Administration (HRSA) at the U.S. Department of Health and Human Services (HHS) proposed a new rule intended to improve the way Medically Underserved Areas and Populations (MUA/Ps) and Health Professional Shortage Areas (HPSAs) are designated. HRSA has proposed a method which provides a more evidence-based approach to identifying areas with a need for primary care resources. Public comments on the proposed rule will be accepted through April 29, 2008.

Currently, eligibility for primary medical care HPSA and MUA/P designations is determined through two separate processes. HPSAs are designated based on rational service areas with high population to provider ratios. HPSA designations can apply to a geographic area (geographic HPSA) or to a specific population group within an area (i.e. the low-income population group). HPSA designations must be updated on a four year cycle. MUA/Ps are designated based on a combination of poverty percentage, percentage of population age 65 years or older, ratio of primary care physicians to the population, and infant mortality rate. MUA designations apply to the entire population of an area and MUP designations apply to a specific population group within an area. There is no requirement to update MUA/P designations.

Programs including the National Health Service Corps (NHSC), State Loan Repayment Program (SLRP), J-1 Visa Waiver Program, National Interest Waiver Program, CMS Rural Health Clinics Program, and CMS 10% Medicare bonus payment (geographic HPSAs only) use HPSA designation as a requirement.

Federally Qualified Health Centers (FQHCs) and FQHC look-alikes must serve a designated MUA/P. MUA designation (but not MUP) can also be used to meet the requirements for the CMS Rural Health Clinics program.

Under the proposed rule, the criteria for designating HPSAs and MUA/Ps would be consolidated into one method based on a rational service area with a high, adjusted-population to provider (physicians and physician assistants, nurse practitioners, and certified nurse midwives) ratio. The population of the service area would be adjusted based on age and gender. The ratio itself would be adjusted based on eight of nine high need indicators: population at or below 200% of poverty, unemployment rate, Non-White population, Hispanic population, population age 65 years or older, population density, age-adjusted death rate, and low birth-weight rate or infant mortality rate. The single designation would simultaneously meet the designation requirements for both HPSA and MUP dependent programs.

The proposed rule includes a system with “two tiers” of designation. Tier one designations are granted to areas meeting designation requirements with all area providers included in the provider count. Tier two designations are granted to those areas that don’t meet Tier one

requirements, but do have a high enough adjusted-population to provider ratio when obligated professionals (NHSC, SLRP, J-1, and FQHC providers) are excluded from the provider count.

The proposed rule also contains a provision allowing designation of safety-net facilities. This protects the designation of facilities serving significant low-income and uninsured populations.

The proposed regulation is designed to work with current statutes for programs requiring HPSA or MUA/P designation, but interpretation of the tier system and scoring of designations under the proposed rule will largely be left to individual federal programs and agencies (NHSC, CMS, etc.).

IMPACT:

The new criteria will affect the distribution of HPSA and MUA/P designated areas in Michigan. Federal estimates suggest that, although there will be a slightly different set of areas designated, the number of Michigan HPSAs designated under the new criteria will be no fewer than 81% of the current number. Similarly, 90% of the number of MUAs and MUPs currently designated will be designated under the new criteria. HRSA staff has indicated that these figures over-estimate the loss of designation number and population and that these percentages are likely to be higher when local data is included. Michigan Department of Community Health (MDCH) staff concur with these observations.

MDCH staff conducted an analysis of each Michigan county and the prospect for geographic HPSA designation under the new criteria. This analysis estimates that 8 of 11 current full-county geographic HPSAs in Michigan will remain full-county geographic HPSAs under the new criteria. Additionally, eight counties that do not currently have full-county geographic HPSAs will be eligible to have such designations under the new criteria. Although it would be a different set of designated areas, 16 counties could be full-county geographically designated under the new criteria.

An MDCH analysis of low-income population group designations is not possible with available data at this time, but there is not evidence to suggest the results of this analysis will differ significantly from the federal analysis that 81% of the number of Michigan's current HPSAs will be designated under the new criteria.

Preliminary analysis of sub-county HPSA designations in Wayne County suggest that designations of this type (in high poverty areas with a large minority population and elevated infant mortality/low birth-weight rates) should be impacted minimally by the new criteria. HPAC staff expects to maintain most currently designated HPSAs in Wayne County under the proposed criteria.

There will likely be a number of current designations that are not re-designated under the new criteria. However, there is the potential for new areas to be identified as meeting the criteria for designation that are not currently designated.